

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2007-416-C - ORDER NO. 2008-67
FEBRUARY 1, 2008

IN RE: Joint Application of Americatel Corporation)	ORDER APPROVING
and Startec Global Operating Company for)	CORPORATE MERGER
Approval of a Pro Forma Corporate)	AND TRANSFER OF
Restructuring.)	CUSTOMERS
)	

This matter comes before the Public Service Commission of South Carolina (“Commission”) by way of the Joint Application of Americatel Corporation (“Americatel”) and Startec Global Operating Company (together “the Applicants”) requesting approval of a pro forma corporate restructuring, and of a transfer of customers. The Company’s Application was filed pursuant to S.C. Code Ann. §58-9-280 (Supp. 2006) and the rules and regulations of the Commission.

The Commission’s Docketing Department instructed the Applicants to publish, one time, a Notice of Filing in newspapers of general circulation in the areas of the State affected by the Application. The purpose of the Notice of Filing was to inform interested parties of the Application of Americatel and Startec, and of the manner and time in which to file the appropriate pleadings for participation in the proceeding. The Applicants complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. No Protests or Petitions to Intervene were filed.

Subsequently, the Applicants requested expedited review of the matter, and filed the verified testimony of Robert Felgar. No opposition to this procedure was received. Accordingly, we grant expedited review and will proceed to consider the matter, based on the verified testimony.

Robert Felgar, General Counsel of Startec and Americatel, testified in writing in support of the Joint Application. Americatel is a Delaware corporation with offices located in Miami, Florida. In South Carolina, Americatel is authorized to operate as a reseller of telecommunications services pursuant to authority granted by Order No. 1998-487. Startec is a Delaware corporation with its principal place of business located in Rockville, Maryland. Startec is authorized to provide resold interexchange telecommunications services, pursuant to Order Nos. 1998-487 and 1999-109. Platinum Equity, a limited liability company formed under the laws of the State of Delaware and headquartered in Beverly Hills, California, holds a 95 per cent interest in the equity of Americatel, and 100 per cent indirect ownership of Startec.

The Applicants in this case request approval of a pro forma corporate restructuring in which Startec will be merged with and into Americatel, with Americatel surviving. As a result of the merger, Startec and its immediate parent and holding company will cease to exist, and Americatel will become the operating telecommunications service provider in South Carolina, serving all Americatel and Startec customers. Upon completion of the pro forma restructuring, Startec's Certificate of Public Convenience and Necessity will be cancelled and its tariff adopted by Americatel. Americatel will assume the customers and operations of Startec but will

continue to use the Startec brand name for those customers, possibly on a co-branded basis. Americatel will serve all customers, including those served under the Startec brand name pursuant to its existing Certificate of Public Convenience and Necessity as granted by this Commission.

The Applicants believe that this transaction will allow affiliated telecommunications carriers to realize significant cost savings and operational benefits, and will allow Americatel to be a stronger competitor in the market place. No customers will be adversely affected by this transaction, according to the witness, because no service will be discontinued, reduced, impaired, or interrupted as a result of the pro forma merger.

According to the witness, the proposed transaction will serve the public interest in South Carolina, in that it will streamline and eliminate inefficiencies from the business and administrative operations of Americatel and Startec. This includes cost savings and other benefits. Further, Americatel will assume the obligations that Startec may have incurred relative to its operations as a telecommunications carrier in South Carolina.

After full consideration of the applicable law, the Application, and the evidence presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. Americatel and Startec are both corporations organized under the laws of the State of Delaware.
2. The two companies desire to complete a pro forma corporate restructuring,

wherein Startec would merge with and into Americatel, with all customers of Startec being transferred to Americatel.

3. We find that the merger and transfer of customers should be approved, and that Startec should be allowed to surrender its Certificate after completion of the transaction.

CONCLUSIONS OF LAW

1. The Commission concludes that the merger and customer transfer is reasonable and should be approved, and that Americatel possesses the managerial, technical, and financial resources to provide the telecommunications services to the additional customers as described in its Application.

2. The Commission concludes that approval of the merger and customer transfer will serve the public interest by enhancing competition in the State of South Carolina by providing for efficient use of existing telecommunications resources.

3. The Commission concludes that the approval of the merger and customer transfer as set forth in the Application and Mr. Felgar's testimony is in the best interests of the citizens of the State of South Carolina.

4. The Commission concludes that voluntary surrender of Startec's Certificate of Public Convenience and Necessity after consummation of the merger and transfer is in the public interest.

5. The Office of Regulatory Staff (ORS) does not oppose the transaction.

IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED THAT:

1. The merger and customer transfer are hereby approved.

2. Startec may surrender its Certificate after completion of the transaction described, and the Applicants shall notify both the Commission and ORS of the transaction's completion.

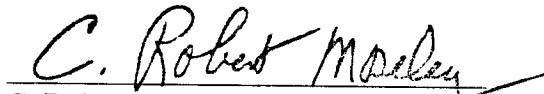
3. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



G. O'Neal Hamilton, Chairman

ATTEST:


C. Robert Moseley, Vice Chairman

(SEAL)